

# CDCI ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Lafayette Bancorp, Inc. (single bank holding company of Oxford University Bank)

Point of Contact:	Bobbie L. Vinson, Vice President/Executive Officer	RSSD: (For Bank Holding Companies)	3260551
UST Sequence Number:	526	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	4,451,000	FDIC Certificate Number: (For Depository Institutions)	57034
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	February 20, 2009	City:	Oxford
Date Repaid <sup>1</sup> :	N/A	State:	Mississippi

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

We were able to reduce lending from 91.8% LTD, which threatened an adverse impact on liquidity, to 81% LTD. While most sectors of the portfolio decreased, our volume in the key CDFI sectors of consumer real estate and commercial (small business) lines of credit, remained consistent.

☐ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

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☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☒ Increase reserves for non-performing assets.

Reserves are not allowed for securities. \$4 million in trust preferred asset securities are owned by the bank. CPP/CDCI funds held in the Bank's equity and in the Holding Company constitute reserves for these non-performing assets.

☒ Reduce borrowings.

The Bank was able to reduce borrowings from the FHLB by 4.8 million (68%) in 2010.

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☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☐ Held as non-leveraged increase to total capital.

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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The bank was able to avoid a less than "well capitalized" designation and thereby higher FDIC premiums. Maintaining expenses at the lowest possible level will allow for a quicker repayment of CPP/CDCI funds.

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**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

We were able to complete a planned expansion of full service banking into a neighboring under-served community.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.